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NTRAL INTELLIGENCE AGENCY
Washington, D. C.

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6 Nevember 1951

SUBJECT: Increase in Basic Rates of Compensation

- 1. On 24 October 1951 the President approved an amendment to the Classification Act (Public Law 201, 82d Congress) which provides for increases in the basic rates of compensation of certain officers and employees of the Federal Government effective on 8 July 1951. Salary increases will be granted ranging from \$300 to \$800 in accordance with the schedule of increases approved in that law for classified employees of the Agency. These increases do not apply to ungraded employees. The increases will be effective as of 24 October 1951, but for administrative reasons the salary checks to be delivered on 23 November 1951 will reflect increases for the pay period beginning 28 October 1951. The increases for the intervening days will be adjusted at a later date.
- 2. However, the General Accounting Office has informally advised that since CIA and certain other agencies are exempted from the provisions of the Classification Act, the legal authority of these agencies to pay the retroactive portion of the pay increases for the period 8 July 1951 through 23 October 1951 is in question.
- 3. In the belief that the Agency has the necessary authority, we are strongly asserting the right to make the retreactive payments and are asking for decision by the Comptroller General at the earliest opportunity. When it is received, an appropriate notice will be issued.

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WALTER B. SMITH Director

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"2 1 F1 Retroactive Pay Increase 1955"

Inly 1958

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